

Filofax Group Limited

Report and Financial Statements

31 January 2012

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COMPANIES HOUSE

Directors

G Presly

G Raw

Secretary

D M Company Services Limited

Auditors

Ernst & Young LLP

G1 5 George Square

Glasgow G2 1DY

Bankers

Royal Bank of Scotland

36 St Andrew Square

Edinburgh EH2 2YB

Solicitors

Dickson Minto WS

16 Charlotte Square

Edinburgh EH2 4DF

Registered Office

C/o Dickson Minto WS

Level 13

The Broadgate Tower

Primrose Street

London EC2A 2EW

Registered No 1750964

Directors' report

The directors present their report and financial statements for the year ended 31 January 2012

Results and dividends

The profit for the year after taxation amounted to £1,000 (2011 – profit of £15,001,000) The directors have not approved the payment of a dividend (2011 interim – £10,000,000, final – £5,000,000)

Principal activity

The principal activity of the company during the year continued to be that of a holding company of subsidiaries involved in the supply of stationery products

Going concern

The company is an intermediate holding company that did not trade during the year and is unlikely to resume trading activities in the foreseeable future

Please refer to note 1 to review the directors assessment of going concern

Directors

The directors who served the company during the year were as follows

G Presly

G Raw

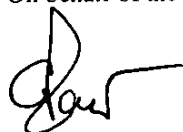
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director have taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board



G Raw

Director

29 March 2012

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Filofax Group Limited

We have audited the financial statements of Filofax Group Limited for the year ended 31 January 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Independent auditors' report

to the members of Filofax Group Limited

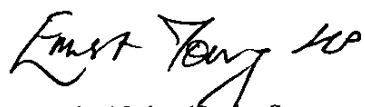
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



James Douglas Nisbet (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Glasgow
29 March 2012

Profit and loss account

for the year ended 31 January 2012

	<i>Notes</i>	<i>2012</i> £000	<i>2011</i> £000
Net operating expenses	2	—	—
Income from group undertakings		—	15,000
<i>Profit on ordinary activities before taxation</i>		—	15,000
Tax	4	1	1
<i>Profit for the financial year</i>		<u>1</u>	<u>15,001</u>

All amounts relate to continuing activities

Statement of total recognised gains and losses

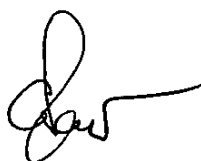
for the year ended 31 January 2012

There are no recognised gains and losses attributable to the shareholders other than the result for the current and preceding financial period and, accordingly, no statement of total recognised gains and losses is shown

Balance sheet

at 31 January 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Investments	6	2,732	2,732
Current assets			
Debtors due after more than one year		22,473	22,419
Amounts owed by group undertakings			
Creditors amounts falling due within one year	7	(6)	(6)
Net current assets		22,467	22,413
Total assets less current liabilities		25,199	25,145
Creditors: amounts falling due after more than one year			
Amounts owed to group undertakings		(21,626)	(21,573)
Net assets		3,573	3,572
Capital and reserves			
Called up share capital	8	1,256	1,256
Share premium account	9	1,990	1,990
Capital redemption reserve	9	325	325
Profit and loss account	9	2	1
Shareholders' funds		3,573	3,572



G Raw

Director

29 March 2012

Notes to the financial statements

at 31 January 2012

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention

The company is a 100% subsidiary of FLB Group Limited, and is reliant upon the continued operation of the group to ensure the company can itself continue to operate as a going concern. The following wording is taken from the financial statements of the consolidated FLB Group Limited accounts for the year ended 31 January 2012 with respect to going concern, and therefore also applies to this company

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and be able to meet its liabilities as they fall due

Due to the seasonal nature of the company's business, revolving banking facilities are in place with a limit of £13m, upon which the company is dependent in order to meet its liabilities to fund its ongoing operating costs and seasonal working capital. The facility is not required around the financial year end in January. Typically, utilisation of the facility builds up over the summer and autumn months, with a peak in borrowing requirements around September each year. Utilisation then reduces in the following months in line with the height of the company's trading activity. The existing facility is due to expire at the end of January 2013

The directors are yet to enter into negotiations with regard to securing a similar facility beyond 31 January 2013. Nevertheless, the directors have a reasonable expectation that the company has adequate available funds to meet its forecast cash requirements and meet all banking covenant requirements for at least the next 12 months from the date of approval of these financial statements. The consolidated group continues to be a consistently profit making business, demonstrably generating a cash surplus after the service of debt, and the directors believe it will continue to be so for the 2012-13 financial year

The directors of FLB Group Limited have acknowledged that, due to the seasonal nature of the company's business and its typical impact on working capital requirements, it is appropriate to consider a period extending beyond 12 months after the date of approving the financial statements. This is consistent with the terms of FRS18 and the FRC guidance (Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009). On this basis, the fact that the company has not, at present, secured a working capital facility beyond 31 January 2013 requires the directors to currently conclude that there exists a material uncertainty that may cast significant doubt upon the ability of the company to continue as a going concern if the company was unable to negotiate a renewed working capital facility prior to March 2013. Nevertheless, on the basis of the factors outlined above, the directors believe that the company will be able to continue in operational existence for the foreseeable future and meet its liabilities as they fall due. For these reasons, the directors believe it is appropriate to continue to adopt a going concern basis of accounting in preparing the financial statements

These financial statements do not include any adjustments that might arise if the going concern basis for the preparation of the financial statements was not appropriate

Group financial statements

The financial statements contain information about Filofax Group Limited as an individual company and do not contain group financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements

Notes to the financial statements

at 31 January 2012

1. Accounting policies (continued)

Statement of cash flows

Under FRS 1 (Revised) the company is exempt from the requirement to produce a statement of cash flows as the parent undertaking, FLB Group Limited, includes the company in its own published group financial statements

Investments

Fixed asset investments are stated at cost less provision for any impairment

2. Auditors' remuneration

The auditors' remuneration is included in the financial statements of the company's subsidiary, Filofax Limited, from which the audit fee will be payable

3. Staff costs

The only employees of the company in the current and prior year were the directors. In the current year the directors received no remuneration for services to the company (2011 – £nil)

4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012	2011
	£000	£000
<i>Current tax</i>		
UK corporation tax on the profit for the year	–	–
Adjustment in respect of prior periods	(1)	(1)
Tax on profit on ordinary activities	<u>(1)</u>	<u>(1)</u>

Notes to the financial statements

at 31 January 2012

4. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26.3% (2011 – 28%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	-	15,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.3% (2011 – 28%)	-	4,200
<i>Effects of</i>		
Non taxable dividend income	-	(4,200)
Adjustment in respect of prior periods	(1)	(1)
Current tax for the year (note 4(a))	(1)	(1)

(c) Factors that may affect future tax charges

It was announced in the Budget of 21 March 2012 that the UK corporation tax rate will be reduced by a further 2% from 1 April 2012, and by a further 1% per year from 1 April 2013 for two years, bringing the corporation tax rate down from 28% to 22% from 1 April 2014. The reduction to 25% was enacted in the Finance Act 2011. There is also a proposed reduction in the main and special rates of capital allowances to 18% and 8% respectively for accounting periods ending after April 2012. These changes will affect the amount of future cash tax payments to be made by the company.

5. Dividends

	2012 £000	2011 £000
Interim dividend paid nil per Ordinary share (2011 – 39.8p)	-	10,000
Final dividend paid nil per Ordinary share (2011 – 19.9p)	-	5,000
	-	15,000

6. Investments

	Shares in subsidiary undertakings £000	Loans to subsidiary undertakings £000	Total £000
Cost			
At 31 January 2011 and 31 January 2012	9,828	2,250	12,078
Provision for impairment			
At 31 January 2011 and 31 January 2012	9,346	-	9,346
Net book value			
At 31 January 2011 and 31 January 2012	482	2,250	2,732

Notes to the financial statements

at 31 January 2012

6. Investments (continued)

The following are the principal subsidiary undertakings of the company as at 31 January 2012. The holdings represent 100% of the issued ordinary share capital of each company.

<i>Company name</i>	<i>Country of incorporation</i>	<i>Principal activity</i>
Filofax Limited	England	Supplier of organisers
Drakes Office Systems Limited	England	Supplier of stationery products
Topps of England Limited	England	Non trading
Filofax A/S*	Denmark	Distributor of organisers
Filofax AB*	Sweden	Distributor of organisers
Filofax GmbH	Germany	Distributor of organisers
Filofax Hong Kong Limited*	Hong Kong	Sourcing of organiser wallets
Filofax SARL*	France	Distributor of organisers
Filofax Italia SRL*	Italy	Distributor of organisers

* Investment held by a subsidiary undertaking

The company is exempt under s 400 of the Companies Act 2006 from the requirement to prepare group financial statements as the company is a subsidiary of FLB Group Limited, a company registered in Scotland for which group financial statements are prepared.

7. Creditors: amounts falling due within one year

	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Accruals	<u>6</u>	<u>6</u>

8. Issued share capital

	<i>2012</i>	<i>2011</i>
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>No</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of 5p each	25,124,059 <u>1,256</u>	25,124,059 <u>1,256</u>

Notes to the financial statements

at 31 January 2012

9. Reconciliation of shareholders' funds and movements on reserves

	<i>Called up equity share capital £000</i>	<i>Share premium £000</i>	<i>Capital redemption reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 February 2010	1,256	1,990	325	–	3,571
Profit for the year	–	–	–	15,001	15,001
Ordinary dividend paid	–	–	–	(15,000)	(15,000)
At 1 February 2011	1,256	1,990	325	1	3,572
Profit for the year	–	–	–	1	1
At 31 January 2012	1,256	1,990	325	2	3,573

10. Contingent liabilities

Guarantees have been given by the company for group borrowings which at 31 January 2011 amounted to £16,235,000 (2011 – £22,820,000)

11. Related party transactions

The company has taken advantage of the exemption available under FRS 8 with regard to the non-disclosure of transactions between group companies

12. Ultimate parent undertaking and controlling party

The company's intermediate parent undertaking is Letts Filofax Group Limited, a company registered in Scotland

The company's ultimate parent undertaking and controlling party is FLB Group Limited, a company registered in Scotland. Copies of the group financial statements are available from 16 Charlotte Square, Edinburgh, EH2 4DF